

Introduction

The following report provides a snapshot of development data for Quarter 1 of 2021. The data is compared with 2020 and 2019, to provide meaningful insight into the development activity and associated trends in the Townsville local government area.

Looking back to 2020, the city's development industry experienced an intense second-half, generated from the economic stimulus measures introduced by all levels of government to counteract the adverse economic impacts of the COVID-19 pandemic.

Results for quarters 3 and 4 of 2020 show the positive effects of the measures, with a sharp increase in demand for residential lots and new dwellings. This had a flow-on effect for Planning Services in terms of the volume of applications and pressure to reach decisions to support the industry and fulfil demand.

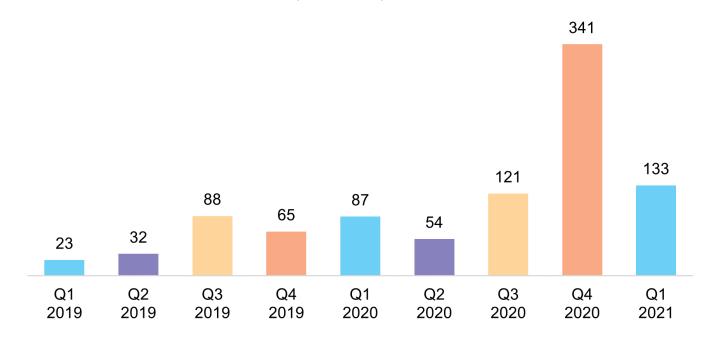
Quarter 1 reveals a less intense period than quarter 4 of 2020, but the stimulus package is still clearly having a positive impact on residential development. The HomeBuilder grant, which provided a grant for new dwellings and significant renovations, concluded on 31 March 2021.

The eligibility requirements of the HomeBuilder grant to meet certain timeframes meant that demand for residential lots slowed in the lead up to the March deadline.

Residential lots approved and released

Residential lots released

Q1 2019 to Q1 2021



This data reveals the extent of the influence of the HomeBuilder grant on the demand and subsequent approval and release of residential lots.

Quarter 3 2020 saw the introduction of the grant and by Quarter 4 2020, the industry had picked up pace to meet the demand.

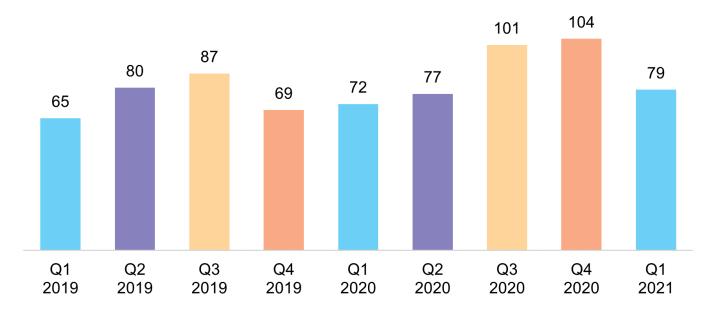
As expected, Quarter 1 – 2021 has seen the lot release results contract. However, the number of residential lots released is still significant compared to recent years. This decrease aligns with expectations that residential lot releases will return to pre-COVID-19 trends (or less, given the huge uptake in residential development over the last several months due to the artificial economic stimulus), in response to the closing of the HomeBuilder grant.

The second quarter of 2021 will provide an indication of the community's appetite for residential development without the support of government grants.

Development Applications Lodged

Development applications lodged

Material change of use, reconfiguring a lot, operational works, development building works



Similar to the residential lot release data, there was an increase in the number of development applications in Quarters 3 and 4 of 2020, fuelled by the increased demand for residential lots. This was particularly notable for the lodgement of reconfiguring a lot and operational works applications to meet this demand.

Again, we see the development application lodgements contract in Quarter 1 – 2021.

Concurrence agency applications lodged

(siting and design and building over services)

Concurrency agency applications lodged

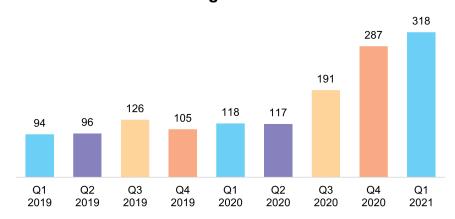


This graph represents residential construction activity such as renovations and improvements to properties where the works do not meet the Queensland Development Code standards, e.g. a carport built close to the boundary.

Anecdotally, the increase in the last three quarters can be attributed to more disposable income (less travel and eating out) and a renewed focus on home improvements. There is also an increased desire from people working from home to improve their home environment.

Building data

New dwelling building certification lodgements

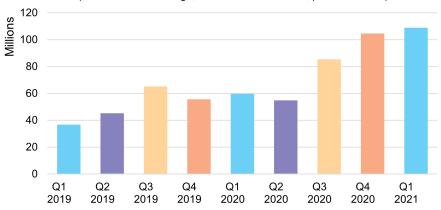


This graph shows the number of building approvals lodged by private building certifiers for new dwellings. This clearly shows the increase in approvals for new home construction from the introduction of the HomeBuilder grant.

This is the most approvals and growth (particularly new dwellings) we have seen since the 2012 – 2013 period.

Estimated cost of works for residential building certificates lodged with Council

(includes new dwellings, other residential works, pools and units)



The estimated value of residential works (new dwellings, units, pools and other residential works) shows a lift in the last 3 quarters, aligned with the increase in residential building works over the same period, in particular quarters 3 and 4 of 2020.

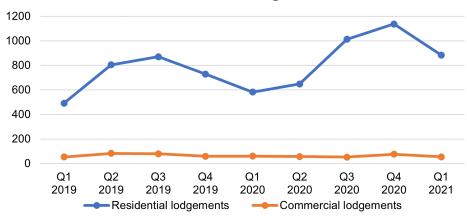
Building data (continued)

Estimated cost of works for commercial building certifications lodged with Council



This graph shows the level of economic investment for commercial works. Whilst residential construction is at the forefront, commercial investment continues to have a significant positive effect on the local economy. This is in terms of employment both during construction and ongoing and the ongoing development of the city.

Residential and commercial building certification lodgements



In contrast to the uplift in residential development approvals, the commercial development industry has been more consistent in number of building certification lodgements, reflecting the longer-term planning often required in larger developments. However, of note are two (nongovernment) building certifications worth over \$30 million combined that were lodged with Council in March, providing an indication of the confidence of certain industries in the city – namely health care and manufacturing.

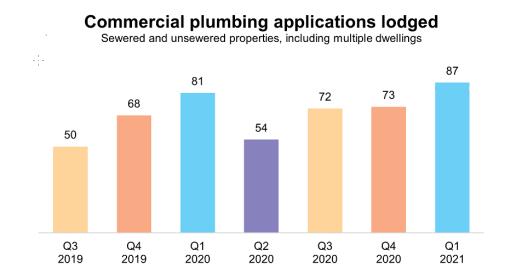
Plumbing and Drainage Applications Lodged – Residential

Residential plumbing applications lodged Sewered and unsewered properties 382 332 229 154 138 139 129 Q3 Q4 Q2 Q3 Q1 Q1 Q4 2019 2019 2020 2020 2020 2020 2021

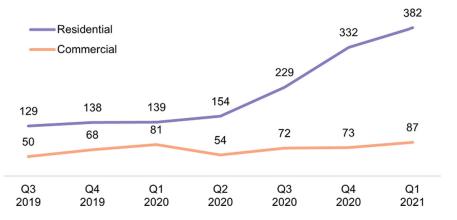
The increase in residential plumbing and drainage applications over the last six months reflects the work associated with construction of new homes in response to grants such as the HomeBuilder Grant.

Whilst the earlier development application and residential lot release graphs show Quarter 3 of 2020 as the most intense activity period, this graph reflects the construction phase of new dwellings on the residential lots approved and released in Quarters 3 and 4 (and including earlier approvals).

Plumbing and Drainage Applications Lodged – Commercial

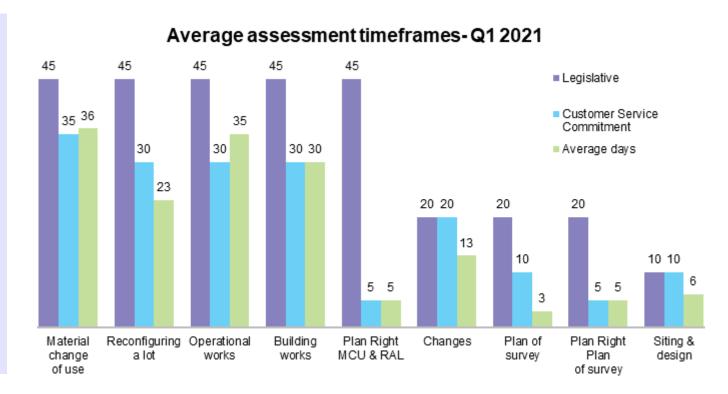






This data reflects the steady lodgement of plumbing and drainage applications associated with commercial development. No government grants were available for commercial developments, hence the consistent receipt of applications.

Development Assessment Customer Service Commitments



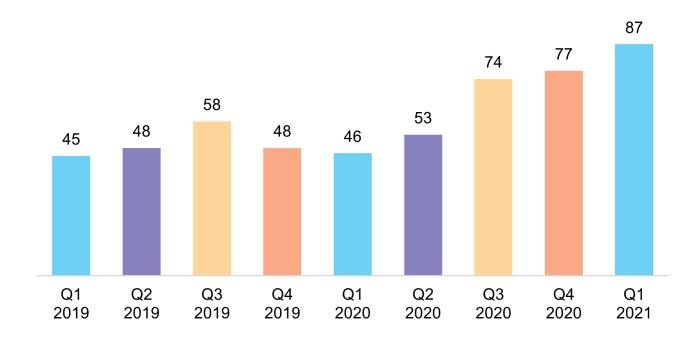
The average timeframes for the assessment of applications in the first quarter of 2021 met legislative requirements.

Council was well within the Customer Service Commitment timeframes for reconfiguring a lot applications, which assisted the industry to move forward with ancillary applications such as operational works. However, the average application assessment time exceeded Council's Customer Service Commitment for both material change of use and operational works applications.

This is partly reflective of the large volume of applications being received, but effort will be made over the coming months to reduce the average assessment timeframes to meet our Customer Service Commitment to applicants.

Prelodgement Meetings

Prelodgement meetings



The data shows an increase in requests for prelodgement meetings, reflecting the activity generated by the government grants.

Prelodgement meetings are encouraged by Council and are delivered at no cost to the potential applicant. The meetings serve to ensure that applicants are aware of town planning and engineering requirements under the Townsville City Plan.

Notes

BUILDING APPROVAL DATA

State government development information is not required to be given to council. Therefore, the building approval data only includes a small proportion of state government work, and this should be taken into consideration when analysing the information (i.e. the estimated value of works may not include developments such as works to schools, hospitals or defence).

The number of building works for the most recent two months also needs to be used with some caution. While private building certifiers are required to provide the information to council within five business days of the decision notice being issued, this does not always occur. Data is regularly reviewed for accuracy; however, minor representation errors may still occur.

VALUE OF WORKS DATA

The estimated value of works needs to be used with some caution. As this is provided at the planning stage of works, this may not accurately reflect the final cost of works.

ASSESSMENT TIMEFRAMES FOR PLAN OF SURVEY

The assessment days for the release of Plans of Surveys are calculated from the date all required information is received by council and all conditions of approval have been met.

Glossary

OPW - OPERATIONAL WORK

In the context of day-to-day business, operational works commonly includes infrastructure works associated with development, such as sewerage, water, roads, and stormwater.

This may also include excavating or filling, clearing vegetation, road works, and advertising devices.

DBW - DEVELOPMENT BUILDING WORK

Assessment of proposed building works on lots that are located in zones such as Character Residential Zone or where the property is encumbered by an overlay such as Coastal Environment

RAL - RECONFIGURING A LOT

The subdivision, amalgamation, and realignment/rearrangement of lot boundaries, Creating and easement and agreements for Community titles schemes (CMS)

MCU – MATERIAL CHANGE OF USE

Required when a material change of use of premises, e.g. starting a new use, re-establishing a use that has been abandoned or changing the intensity or scale of the use.

POS – PLAN OF SURVEY

POS lodgements are associated with the approval of a Plan of Survey. This allows newly created lot/s to be registered and introduced to the market for sale.

PROPERLY MADE

An application must be deemed properly made to allow assessment to proceed. Legislation prescribes the minimum requirements for an application to be properly made.

PLANRIGHT APPLICATIONS

PlanRight applications are those identified application types that are assessed by approved external consultants. Once lodged, council issues the decision notice via an accelerated process.

